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12
13 **UNITED STATES BANKRUPTCY COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**
15 **SANTA ANA DIVISION**

16 In re

17
18 NORTHERN HOLDING, LLC,

19 Debtor.)

Case No. 8:20-bk-13014-MW

Chapter 7 (formerly 11)

**REPLY TO OPPOSITION BY FARM
CREDIT WEST, FLCA TO FINAL
APPLICATION BY RESNIK HAYES
MORADI LLP, GENERAL
BANKRUPTCY COUNSEL FOR THE
DEBTOR, FOR ALLOWANCE OF
FEES AND REIMBURSEMENT OF
COSTS FOR THE PERIOD
FEBRUARY 5, 2021 THROUGH JUNE
15, 2021**

Date: November 22, 2021

Time: 9:00 a.m.

Place: Courtroom 6C

411 W. Fourth Street
Santa Ana, CA 92701

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23 **TO THE HONORABLE MARK S. WALLACE, UNITED STATES**
24 **BANKRUPTCY JUDGE; SECURED CREDITOR FARM CREDIT WEST, FLCA**
25 **AND ITS COUNSEL OF RECORD; AND ALL PARTIES IN INTEREST:**

26 Resnik Hayes Moradi LLP (“Applicant” or the “Firm”), general bankruptcy
27 counsel for Northern Holding, LLC, the “Debtor” and the former “Debtor-in-Possession”
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in the above-captioned case, initially filed under Chapter 11 and thereafter converted to Chapter 7, hereby replies to Farm Credit West, FLCA's ("Farm Credit") *Statement of Position and Opposition* ("Opposition") [Docket No. 244] to the Firm's *Application for Allowance of Fees and Reimbursement of Costs for the Period February 5, 2021 through June 15, 2021* (the "Fee Application") [Docket No. 221], as follows:

"[Farm Credit] takes no position with respect to Court's approval (or not) of the specific time entries and other reimbursement requests included in the Final Application [or] to the Court's possible allowance of any amount of such fees and costs... as long as such fees and expenses approved are deemed to be Chapter 11 Administrative expenses that are 'junior' to all of [Farm Credit's] secured claims, and to all Chapter 7 administrative expenses incurred by the Chapter 7 Trustee or the Chapter 7 Estate."

See Opposition, page 2 at lines 2-8.

Applicant is not requesting an order modifying the debt priority scheme as set forth in the Bankruptcy Code or changing how the Chapter 7 trustee may ultimately distribute any property of the estate. Applicant does seek for its claim to be treated in the same manner as similar Chapter 11 administrative claims. *See*, 11 U.S.C. §§ 503, 507 and 726.

"[Farm Credit] respectfully requests that any Order issued with respect to the Final Application expressly provide that [Farm Credit's] cash collateral... may never be used or expended to pay any of Movant's fees or expenses unless (i) the Court has previously determined that [Farm Credit's] secured claims have been paid in full, or (ii) [Farm Credit] has subsequently agreed with the Chapter 7 Trustee... that such fees and expenses may be paid in whole or in part, in accordance with the terms of such subsequent written agreement.

See Opposition, page 2 at lines 13-20.

Absent an agreement from the lender and/or a court order, Farm Credit's cash collateral is ineligible for payment of Applicant's fees. *See*, 11 U.S.C. § 363. Here, Applicant does not seek payment from Farm Credit's cash collateral. As such, there can be no order entered by the Court on the Fee Application authorizing the use of cash collateral for this purpose.

Farm Credit alludes to a possible future agreement with the Chapter 7 trustee – such as a "carve out" to provide a distribution for unsecured creditors to the detriment of

Chapter 11 administrative claims. Any such agreement will require Court approval and

Applicant expressly reserves all its rights to oppose any agreement that proposes to make a
distribution to unsecured creditors that alters, modifies or changes the priority scheme as
set forth in 11 U.S.C. §§ 503, 507 and 726.

WHEREFORE, the Firm respectfully requests that the Court overrule the Objection,
approve the Fee Application as requested and grant such other relief as the Court deems
necessary and just.

Dated: November 15, 2021

RESNIK HAYES MORADI LLP

By: /s/ Roksana D. Moradi-Brovia

Roksana D. Moradi-Brovia
W. Sloan Youkstetter
Attorneys for Debtor
Northern Holding, LLC

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
17609 Ventura Blvd., Suite 314, Encino, CA 91316.

A true and correct copy of the foregoing document entitled (*specify*): REPLY TO OPPOSITION BY FARM CREDIT
REPLY TO OPPOSITION BY FARM CREDIT WEST, FLCA TO FINAL APPLICATION BY RESNIK HAYES MORADI
LLP, GENERAL BANKRUPTCY COUNSEL FOR THE DEBTOR, FOR ALLOWANCE OF FEES AND
REIMBURSEMENT OF COSTS FOR THE PERIOD FEBRUARY 5, 2021 THROUGH JUNE 15, 2021
will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in
the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General
Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*)
11/15/2021, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that
the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated
below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) 11/15/2021, I served the following persons and/or entities at the last known addresses in this bankruptcy
case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail,
first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the
judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method*
for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 11/15/2021, I served
the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to
such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration
that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is
filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

11/15/2021 Max Bonilla /s/ Max Bonilla
Date *Printed Name* *Signature*

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) [CONTINUED]:

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